ARTICLE APPEARED ON PAGE A16
NEW YORK TIMES
20 April 1987

Catching Spies: Intelligence Officials Say U.S. Lacks the Resolve to Improve

By JOEL BRINKLEY

WASHINGTON, April 19 — As President Reagan awaits new Government recommendations on altering counterespionage policy, present and former intelligence officials said that the problems were already well known but that the Government apparently lacked the resolve to solve them.

"It's hard to imagine what one more study group is going to add, unless this is the one that is finally going to be listened to," said Lieut. Gen. Lincoln D. Faurer, a retired Air Force officer who headed the nation's largest intelligence agency, the National Security Agency, until two years ago.

Intelligence officials said the Government's failure to heed clear warnings that the United States Embassy in Moscow was extraodinarily vulnerable to espionage until three Marine guards were arrested on suspicion of espionage is emblematic of the larger frustrations officials face as they try, with little success, to improve counterespionage.

Spy cases bring ripples of interest, officials said, but as soon as the public attention fades, so does the resolve.

Espionage has caused considerable damage to the United States in the last 10 years. As President Reagan prepared to take office in 1981, one of the most forceful recommendations from his transition team was that the United States should significantly increase its efforts to counter Soviet spying.

But in the end, other considerations, primarily budget contraints, or diplomatic concerns and the feeling that increasing security was in conflict with the basic American character, usually took precedence, numerous officials said.

In the last few years, losses as a result of spying have reached monumental proportions, in the view of many Government officials. Since 1984, at least 26 people have been convicted on charges of spying, more than at any time in recent history, and more than a dozen Congressional committees, Government agencies or special advisory panels have published reports pointing up weaknesses in the national strategy for catching Soviet spies.

House Report Finds 'Litany of Disaster'

In one of the most recent studies, a House Intelligence Committee report issued two months ago said the committee had found "a litany of disaster" that "causes deep dismay about the way U.S. intelligence is managed."

Most of the recent studies offer nearly identical recommendations — for example, security-clearance investigations should be enhanced, and haphazard interagency coordination must be improved. And when the recommendations are issued, officials in the Government agencies involved routinely agree.

But despite estimates indicating that losses from recent espionage cases cost the United States billions of dollars, official after official said Government agencies refused to spend far smaller sums of money for the counterintelligence improvements that could thwart Soviet spies.

And when counterespionage proposals are offered, in many cases officials also worry that they may conflict with diplomatic interests or civil liberties concerns. For example, widespread use of polygraph, or lie-detector, tests could provoke court and other challenges.

The Administration "has taken some additional measures, but it's not enough," said Senator William S. Cohen, Republican of Maine, the vice chairman of the Intelligence Committee. "I have not detected the kind of intensity that is warranted."

After the Walker spy case in the summer of 1985, in which John Walker, his brother, his son and a friend were all charged with spying for the Soviet Union, counterintelligence officials said it appeared as if the problem would finally get the attention it deserved. Proposed counterespionage measures that had been languishing for years looked as if they would finally be approved.

In an interview that year, a senior intelligence official was nearly euphoric when he said: "We've been slugging it out without success for the last three years, but now with all this new public awareness all the blockage is falling away. It's like somebody poured Drano down the sink."

Summer of 1985: 19 Recommendations

President Reagan approved 19 major recommendations for improvements proposed by the National Security Council in the summer of 1985, and some of them were put into effect, including the expulsion of 80 Soviet United Nations diplomats believed to be K.G.B. officers.

But even that came only after a major squabble. Just before the expulsion was announced, Secretary of State George P. Shultz urged the President to postpone the decision, saying it would damage Soviet-American relations.

The intelligence official who spoke with such optimism in 1985 said he was angry today. "The 19 recommendations have been so watered down that it's almost a Pyrrhic victory," he said.

One of the recommendations was that security at United States Embassies in hostile countries, including the Soviet Union, be improved.

In 1985, numerous officials also complained that the Federal Bureau of Investigation's counterintelligence office was undermanned and did not have enough agents for adequate surveillance of Soviet bloc intelligence officers in this country.

"We don't even have a man-to-man defense," William J. Casey, then the Director of Central Intelligence, said in an interview that year. The number of F.B.I. agents has been increased since then, but an intelligence official said Mr. Casey's statement was still true.

Officials at the Defense Department said they had been frustrated, too. L. Britt Snider directed the Defense Department's Office of Counterintelligence and Security Policy in 1985, and in an interview that summer he said that because of the Walker spy case, "it looks like we may finally get some of the resources we need."

One Recommendation: More Security Checks

Chief among the improvements needed at the Defense Department, several reports said, was that more officers had to be hired to conduct security clearance investigations — inquiries to determine whether individuals should be allowed to use classified materials — and that the quality of those investigations had to be improved.

More officers have been hired; the Defense Investigative Service had about 1,500 field investigators in 1985 and nearly 2,000 today. But those people must carry out 200,000 field investigations a year, in addition to thousands of other tasks, and officials say the number is still woefully inadequate. Under the Defense Department's current budget proposal several hundred officers would be eliminated.

The number of officers charged with checking on secuity at military contracting firms has increased from 250 in 1985 to 335 today. But they must survey more than 10,000 contractors.

In 1985, Pentagon officials also said they would enforce the recommendations made in a special Defense Department report that said spying was so easy for employees of most military contracting companies that "a supermarket employee may encounter far more difficulty stealing a loaf of bread."

Two simple recommendations were that security guards randomly check the briefcases of employees who leave areas where classified materials are kept and that workers not be allowed free, unescorted access into those areas at night and on weekends.

The report, published in December 1984, noted that those changes might have prevented two recent espionage cases. But on Friday, a Defense Department spokesman said neither change had been made. "The paperwork is still pending," he said.

Mr. Snider, who became general counsel to the Senate Intelligence Committee earlier this year, said the resolve of 1985 soon turned to frustration.

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